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GHz Equipment Company, Inc. The Fiberless Optics™ Company

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April 23, 1996

Mr. Ira Fishman  
Federal Communications Commission  
Special Counsel  
1919 M Street NW, Room 614  
Washington, DC 20554

Dear Mr. Fishman:

I want to take this opportunity to thank you for your gracious accommodation of our unscheduled meeting last Tuesday. We were not expecting to meet with you at that time but were only hopeful to schedule a meeting before leaving Washington, DC.

Since we did not get a chance to spend much time explaining the background of how GHz Equipment Co., Inc. ("GEC") got where it is today, I have prepared a brief history of our company for your review. I have also included some background information on the wireless cable industry with emphasis on local multi-channel distribution service ("LMDS"). Also enclosed is a folder which we use in our business to introduce potential customers to GEC which includes information on equipment we have developed.

Our meeting with Rodney Small, Charles Iseman and Mike Marcus in the Office of Engineering and Technology was very helpful. We discussed two alternatives for licensing the spectrum for the educational use reviewed with you in our meeting.

One alternative would be to have commercial operating companies own the licenses with a requirement of providing a level of services to public schools in their service areas. Under this alternative, GEC would seek a Pioneer's Preference for a license in Los Angeles and become one of the operating companies. It is anticipated that the licenses would be auctioned to commercial companies at a reduced fee to reflect the reuse of spectrum made available to public schools as opposed to being used in commercial applications as well as the cost of providing transmission and receive capabilities to schools and other public institutions.

Another alternative would be to allocate the spectrum to non-profit organizations and public institutions in much the same fashion as the ITFS licenses are handled with MMDS.

Since our meetings at the Commission, we have decided not to prepare a petition for a Pioneer's Preference. Instead, we think the public would be best served if the

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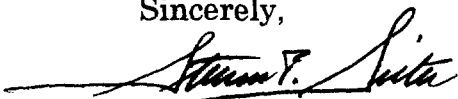
Commission set aside 1000 MHz between 40.5 and 41.5 GHz for educational use similar to the ITFS frequencies at 2.5 GHz. Educational institutions and educational non-profit organizations could then apply for this spectrum to facilitate the completion of the "Information Superhighway" to schools. We came to this conclusion for the following reasons:

1. Since the NPRM at 40 GHz is already underway, meeting the requirement of requesting a new service through an NPRM proceeding appeared more complicated and difficult than our resources would allow.
2. A conditional license requiring the commercial operator holding the license to provide services to schools would be difficult to administer and enforce.
3. The time required to obtain a Pioneer's Preference and to get rules and licenses issued through the NPRM process would likely be far greater than under a set-aside for education approach.
4. Actual service to schools would commence much more quickly through the set-aside approach than if the licenses were owned by commercial operating companies.

We would be happy to discuss this further with you. If you agree with our recommended approach, we are assuming that we would need to expand our comments in the rulemaking proceeding at 40 GHz describing in greater detail our recommendation for a set-aside and explaining the way the service would be delivered for education as well as for commercial use. I have enclosed a copy of our comments on the NPRM for your reference.

We are anxious to move forward as soon as possible. Please contact me with your suggestions.

Sincerely,



Steven P. Seiter  
President

SPS/dwa  
Enclosures